

***United States Court of Appeals
for the
District of Columbia Circuit***



**TRANSCRIPT OF
RECORD**

BRIEF FOR APPELLANT

AND

JOINT APPENDIX

760

UNITED STATES COURT OF APPEALS

For the District of Columbia Circuit

United States Court of Appeals
for the District of Columbia Circuit

No. 23586

FILED MAR 10 1970

Nathan J. Paulson
CLERK

JOHNSON PRODUCTS COMPANY, INC.
A Corporation

Appellant

v.

MARCUS GRIFFITH,
d/b/a Beauty Fair Salons,

Appellee

Appeal from the United States District
Court for the District of Columbia.

CLEMENT THEODORE COOPER
918 F Street, N. W.
Suite 300-302
Washington, D. C. 20004

STRADFORD, LAFONTANT,
GIBSON, FISHER & COUSINS
69 West Washington
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ATTORNEYS FOR APPELLANTS

(i)

QUESTIONS PRESENTED

- I. Whether or not, under the Federal Trade Mark Laws,
a showing of actual irreparable harm is required
as a prerequisite to injunctive relief?
- II. Whether the Trial Court erred in denying plaintiff's
motions for preliminary injunction and summary judgment?

(ii)

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(v)

STATUTES INVOLVED:

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15 U.S.C. 1116, provides:

"The several courts vested with jurisdiction of civil action arising under this chapter shall have the power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office"

15 U.S.C. 1121, provides:

"The district and territorial courts of the United States shall have original jurisdiction and the Court of Appeals of the United States shall have Appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties."

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15 U.S.C. 1114 (1) (a) (b), provides:

"..... any person who shall, without the consent of the registrant, use in commerce any reproduction, counterfeit, copy or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services.... with which such use is likely to cause confusion or to cause mistake, or to deceive shall be liable in a civil action by the registrant." 12

Reference To Rulings

Order of Trial Court Denying Plaintiff's
Motion for Summary Judgment and
Preliminary Injunctions

J.A. 5

This case has not previously been before
this Court.

UNITED STATES COURT OF APPEALS
For the District of Columbia Circuit

No. 23586

JOHNSON PRODUCTS COMPANY, INC.,
A Corporation

Appellant

vs.

MARCUS GRIFFITH
d/b/a, Beauty Fair Salons,

Appellee

Appeal from the United States District
Court for the District of Columbia

BRIEF FOR APPELLANT

JURISDICTIONAL STATEMENT

The Jurisdiction of this Honorable Court is invoked
by virtue of 28 U.S.C. 2106 (1964) pursuant to its authority

to affirm, modify, vacate, set aside or reverse and judgment, decree, or order of Court lawfully brought before it for review and may reward the cause and direct the entry of such appropriate judgment, decree, or order, or require such further proceedings to be had as may be just under the circumstances.

The Jurisdiction of this Court is further invoked by virtue of 15 U.S.C. 1121 pursuant to its authority to take appellate jurisdiction of all actions arising under the Trade Mark Laws of the United States, without regard to the amount in controversy or the diversity or lack of diversity of the citizenship of the parties.

STATEMENT OF THE CASE

The Appellant, Johnson Products Company, Incorporated, is manufacturer of certain beauty and hair preparations, including permanents, shampoos, rinses, and creme bases and markets those products throughout the United States under a label with the trademark "ULTRA SHEEN." The products are sold in a permanent kit containing a creme base, hair relaxer, a neutralizer shampoo and a hair rinse. Appellant has the exclusive and sole trademark registered in the United States Patent Office, registered July 14, 1959 under trademark registration number 681,947.

(See J. A. #1). The Appellee, Marcus Griffith, d/b/a Beauty Fair Salons, operates, controls and owns various beauty shops under the name of Beauty Fair Salons, also known as Beauty Fair, at various addresses in and about the Washington, D. C. and Metropolitan Washington, D. C. area. Upon affidavits filed herein, the appellee began to engage in specific conduct which amounted to an infringement of Appellant's trademark as evidenced by affidavits filed with the Trial Court. (See J.A. # 2, 3, & 4). The affidavits were statements submitted by employees of the Appellee. On the basis of Appellant's investigation and sworn statements taken from employees of the Appellee, Appellant thereupon filed a Civil Action in the United States District Court for the District of Columbia, seeking a temporary restraining order, preliminary injunction and permanent injunction as well as damages. (See the Record herein).

The cause came on for hearing before the Trial Court on Appellant's Motion for Preliminary Injunction and Cross-Motion for Summary Judgment, on August 21, 1969. After hearing arguments by Counsel for Appellant and Appellee (the Plaintiff and Defendant below), the Trial Court ruled, in denying Appellant's Motion for Preliminary

Injunction and Cross-Motion for Summary Judgment, that, "to grant a preliminary injunction would cause damage to the defendant far out of proportion to any allegedly suffered by the plaintiff." (See J.A. #5). Thereupon, Appellant's motions were denied. It is from the denial of Appellant's Motions for Preliminary Injunction and Cross-Motion for Summary Judgment that this Appeal was perfected by first filing Notice of Appeal on September 15, 1969. (See J.A. #6).

STATEMENT OF FACTS

Appellant, Johnson Products Company, Incorporated, is a manufacturer and distributor of certain hair and beauty preparations, throughout the United States, under its trademark label called "ULTRA SHEEN." The Ultra Sheen is packaged in a kit and is more commonly known as the Ultra Sheen permanent. The Ultra Sheen permanent kit contains a creme base, hair relaxer, a neutralizer shampoo and hair rinse. The Appellee operates a number of beauty salons throughout the Metropolitan Washington, D. C. area and as part of his business operation, advertises, in full view of his customers, that appellee gives Ultra Sheen permanents and maintains on his shelves at his places of business, jars and containers bearing the trademark

of the Appellant which jars purport to contain products manufactured and marketed by the Appellant. In truth and in fact, Appellee has misled, through deceptive practices, the general public at large and has lulled customers to believe that the "ULTRA SHEEN PERMANENT" given at his beauty salons are achieved through use of Appellant's products, in that Appellee has manufactured, at his place of business at 1920 Nichols Avenue, Southeast, Washington, D. C., a certain hair preparation which is manufactured at Appellee's place of business of like color and kind and thereupon placed in empty containers bearing the label "ULTRA SHEEN" and then distributed to his beauty salons for use on customers who call for "ULTRA SHEEN PERMANENTS."

Appellee and his agents, servants or employees, admitted, during the course of their depositions; (a) That Ultra Sheen products carry a high reputation more than any other product. (b) That Appellee's customers ask for Appellant's products more than any other product. (c) That Appellee exhibits in his windows, streamers, signs and posters advertising "ULTRA SHEEN" and that he does not advertise any other product in his window. (d) That he does maintain upon the shelves in his beauty salons, jars and containers bearing the trademark of "ULTRA SHEEN." (e) That Appellee advertises the product

"ULTRA SHEEN" to induce the general public to believe that the business is an ULTRA SHEEN BUSINESS. (f) That Appellant has not consented to Appellee's use of the name, "ULTRA SHEEN" in the promotion of Appellee's business. (g) That Appellee does maintain a complete manufacturing plant on Nichols Avenue, S. E., Washington, D. C. and does manufacture products similar to those produced by the Appellant even in terms of color of chemical preparation. (h) That Appellee does not purchase sufficient jars within which to place his products but rather, saves empty "ULTRA SHEEN" jars and instructs his employees to save empty "ULTRA SHEEN" jars without destroying the labels; that these empty jars are collected by one of his employees and taken to the Nichols Avenue address where the jars are again refilled with the preparation manufactured by Appellee and thereupon redistributed to his beauty salons and placed upon the shelves therein and ultimately used on customers who call for "ULTRA SHEEN PERMANENTS."

The Appellee knows that the Appellant holds the exclusive trademark rights to ULTRA SHEEN PRODUCTS but continues to manufacture, imitate, counterfeit said products and deceive the general public at large. The products manufactured by the Appellee are a close imitation and counterfeit of the products manufactured by the Appellant

and has thereupon caused Appellant to suffer irreparable harm.

SUMMARY OF ARGUMENT

I. A showing of actual irreparable harm is not a prerequisite to injunctive relief in trade-mark litigation. Courts are duty bound to protect a trade-mark owner against peaching by a competitor who seeks to sell or use his goods as those of another. An infringer is clearly defined as one who affixes the trade-mark of another to similar articles in such a way that his use of it is liable to cause confusion in the trade, or is calculated to mislead purchasers and induce them to buy the infringer's articles as goods or services. The rule is abundantly clear that positive proof of fraudulent intent is not needed where proof of infringement is clear.

II. Under Rule 56, Federal Rules of Civil Procedure, a trial court may grant Summary Judgment where there are no genuine facts in dispute and a party is entitled to summary judgment as a matter of law. Appellant contends that the trial court erred in denying Motion for Preliminary Injunction when the acts of trademark infringement were apparent on the face of the record based upon admission

made during depositions taken and statements made during those depositions by the Appellee, his agents, servants and employees. Ergo hoc propter hoc, the facts as alleged in Appellant's complaint and the Statement of Facts filed with the Trial Court below are clearly not in dispute and the Trial Court erred in denying Appellant's Motions for Preliminary Injunction and Summary Judgment.

A R G U M E N T

(I)

A SHOWING OF ACTUAL IRREPARABLE HARM IS NOT REQUIRED AS A PREREQUISITE TO THE GRANTING OF INJUNCTIVE RELIEF IN TRADE-MARK LITIGATION

An infringer has been defined as one who affixes the trademark of another to similar articles in such a way that his use of it is liable to cause confusion in the trade, or is calculated to mislead purchasers and induce them to buy infringer's articles as goods or services. See James Heddon's Sons v. Millsite Steel & Wire Works (1942, Mich.) 128 F. 2d 6. The theory of Appellant's cause, filed with the Trial Court below, simply alleges facts amounting to clear trade-mark infringement by Appellee. At first blush, it must be made clear and should be accepted as theory that over 90% of trade-mark infringements are based upon acts and conduct not always clearly visible to the naked eye. The very nature of the statutory violation and the act itself are couched in subtle and almost invisible form. Thus, in seeking to protect the property right vested in the holder of a trade-mark, Courts are often called upon to accept facts as marshalled and which would leave no room for reasonable men to differ as to the conclusory nature of an infringer's pattern of conduct. Appellant holds exclusive property rights to the hair preparation better

known as "ULTRA SHEEN" by virtue of the registration filed under application number 681,947, registered July 14, 1959. Appellee admitted during the course of his deposition that he manufactures a product which was similar in color to the product manufactured by Appellant; further, Appellee instructed his employees at various beauty salons to save empty "Ultra Sheen" jars which are subsequently collected by another employee of the Appellee and taken to Appellee's manufacturing plant where the empty jars are thereupon refilled and redistributed to the same beauty salons, without destroying the "ULTRA SHEEN" label. (See pp. 32, 33 & 34, Transcript of Appellee's deposition). Affidavits submitted by employees of Appellee state that Appellee instructed beauty operators to fill empty ULTRA SHEEN jars and containers which bear the label ULTRA SHEEN with a composition other than an ULTRA SHEEN product, and further instructed the operators to display those filled ULTRA SHEEN jars in full view of the customers and to use the contents of the filled ULTRA SHEEN jars on the hair of customers of the shops when the customer asked for an ULTRA SHEEN permanent. (See J. A. 2, 3, & 4).

The Trial Court could have granted preliminary injunction based upon the affidavits alone, which were filed with the Court below. G. G. White Co. v. Miller, C. C. Mass.,

1892, 190 F. 277; Weber Foundations Co. v. Rand Rubber Co., D. C. N. Y., 1947, 71 F. Supp. 858. Damage to the good will engendered by the name "ULTRA SHEEN" should have entitled Appellant to a Preliminary Injunction. See Chips 'N Twigs, Inc., v. Blue Jeans Corp. D. C. Pa., 1956, 146 F. Supp. 246. Nonetheless, Appellant went several steps further in showing an infringement of trademark by Appellee. Depositions of various employees of Appellee were taken and admission were made during the course of those depositions which clearly evidenced trademark infringement by the Appellee. Granted, Preliminary Injunction should not be granted if there is substantial doubt as to the plaintiff's right thereto. Guerlain Perfumery Corporation of Delaware v. Klein, D. C. N. Y., 1931, 56 F. 2d 439. Here, however, there is no doubt as to whether Appellant should be entitled to preliminary injunctive relief. Notably, the trial court denied Appellant's Motion for Preliminary Injunction for the reason that "to grant a Preliminary Injunction would cause damage to the defendant far out of proportion to any allegedly suffered by the plaintiff." (See J. A. #5) It is indeed error to base an adverse ruling solely upon an equitable maxim of "balancing of equities" in trademark infringement litigation. That particular test goes wanton for judicial sanction. The real test in determining whether or not a party is entitled to injunctive relief is based upon an evidentiary showing that a party's trade secret is being used or threatened to be used without his

permission. Franke v. Wiltschek (1953, C. A. 2, N. Y.), 209
F. 2d 493; Smith v. Dravo Corp. (1953, C. A. 7, Ill.) 203
F. 2d 369; By-Buk Co. v. Printed Cellophane Tape Co. (1958)
163 Cal. App. 2d 157, 329 P. 2d 147.

The mandates of 15 U. S. C. 1114 (1) (a) (b) are clear
in that Congress has provided that:

" . . . any person who shall, without the
consent of the registrant, use in commerce
any reproduction, counterfeit, copy or
colorable imitation of a registered mark
in connection with the sale, offering for
sale, distribution, or advertising of
any goods or services with which
such use is likely to cause confusion,
or to cause mistake, or to deceive, shall
be liable in a civil action by the regis-
trant."

Appellant marshalled facts which were more than sufficient
to entitle it to preliminary injunctive relief. The deposi-
tion of Appellee reveals that appellee was in fact engaged
in the business of compounding or manufacturing a chemical
hair preparation. (See. Dep. of Deft. pp. 6 & 7, the
Record herein). The Appellee further admitted that the
Permanent Hair preparation which he manufactured was the
same identical color of the permanent manufactured by the
Appellant. (See. Trans. of Deft. Dep. 00 100-101, Record
herein). Appellee further admitted that upon completion
of the manufacturing of permanents at his place of business,
that the contents are placed in an 8 ounce jar and that most
of the jars, if not all, are jars which had been saved over a

period of time which would include and does include ULTRA SHEEN jars. (See Trans. Dep. Deft. pp. 31-26, the Record herein). Based upon Appellee's admissions, without more, should have entitled Appellant to Preliminary Injunctive relief. Courts are duty bound to protect a trade-mark owner against peaching by a competitor who seeks to sell or use his goods as those of another. Morgenstern Chemical Company v. G. D. Searle & Co. (1958, N. J.) 253 F. 2d 390. Courts have granted injunctions where there have been infringements on trade marks similar in color even though with different wording. See Ohio Baking Co. v. National Biscuit Co., Ohio 1904, 1a7 F. 116. The purpose of protecting trade mark infringement is based upon the legal protection accorded to a property right and to insure that the public is not misled into purchasing or utilizing goods or services different from those sought by pull and lure of a subtly devised parody of a familiar name or symbol. Baker v. Simmons Co., C. A. Mass. 1962, 307 F. 2d 458.

Based upon the trial Court's findings of facts and conclusion of Law, it would appear as though the Court based it's ruling on the theory of "Unfair Competition" where the remedy at law is adequate and thus would not entitle Appellant to injunctive relief. However, the allegations in Appellant's complaint are visibly clear and succinctly

stated. Appellant had sought an Injunction based upon trade mark infringement. The suit is not one seeking damages alone due to "unfair competition." The common law action of unfair competition exists separate and apart from any statutory rights which the owner of a trade mark possesses. House of Westmore v. Denney, C. A. Pa. 1945, 151 F. 2d 261. Appellant's suit was based upon a right granted and protected by a Federal Statute, to wit; 15 U.S.C. 1114, supra. Thus, Appellant's cause of action was statutory and founded upon trade mark ownership. The Congress, in enacting 15 U.S.C. 1114, supra, created certain presumptions which would aid the Court in determining whether or not injunctive relief should be granted. Consequently, an infringer will be presumed to have accomplished the purpose he intended when he copies part of Appellant's trade mark. See Coro, Inc. v. Abramson, D. C. Miss., 1956, 140 F. Supp. 516, affirmed 240 F. 2d 854; Jose B. Lopez, Inc. v. Jackson Brewing Co., C. C. A. Puerto Rico, 1938, 94 F. 2d 964.

This Honorable Court has held previously that the decision to grant a preliminary injunction is normally within the discretion of the trial court and that this Court may review the grant or denial of preliminary relief which "proceeded from an erroneous premise." See Perry v. Perry,

88 U. S. App. D. C. 337, 338, 190 F. 2d 601, 602 (1951).

Under this Court's holdings, the granting of a preliminary injunction rest on a convincing presentation and the appellate may also reverse the grant of an injunction where the appellee's showing is something less than the persuasive demonstration upon which an injunctive award must be predicated, Appellant urges this Court to extend the principles enunciated in Udall v. D. C. Transit System, Inc., 131 U. S. App. D. C. 381 (1968) so that the same reverse effect might be achieved. Simply stated, where Appellant has made a convincing showing, based upon the evidence adduced in the Trial Court, this court should likewise reverse a Trial Court's order denying Motion for Preliminary Injunction. Not being unmindful of this Court's ultimatum enunciated in District 50, United Mine Workers v. International U., U.M.W. 412 F. 2d 165 (1969), wherein the Court held that a party seeking injunctive relief must show both that it will suffer irreparable harm if an injunction is not issued and that there is a substantial likelihood it will prevail on the merits when the case is tried, Appellant has prevailed upon the Trial Court by clearly showing that irreparable harm would from defective cosmetic products; that the good will of ULTRA SHEEN will inevitably result if the Appellee continues to use and infringe upon Appellant's trade mark, and that appellant has exclusive property rights to the

use of the ULTRA SHEEN name and the incidents thereto. Based upon the evidence in the record, even though conjectural in nature, Appellant has marshalled facts which would become compatible with a victorious result at the final hearing. The third test enunciated by this court in District 50, United Mine Workers, supra, which requires the Trial Court to consider the harm an injunction will cause the other party (citing, Yakus v. United States, 321 U. S. 414, 64 S. Ct. 660 (1944); 7 J. W. Moore, Federal Practice 65.04 (1) (2d ed. 1968)) does not present the real test in determining whether injunction relief should be granted under the facts now before the Court. To be sure, the conflict between judicial interpretation of equitable maxims and the demand for unwavering construction of statutory law as evidenced by 15 U.S.C. 1114, supra, without first declaring 15 U.S.C. 1114 unconstitutional, renders the test in District 50, supra, a nullity and thus would have no real critical application to the case at Bar. Appellant need not elaborate on the fundamental concept of Separation of Powers of Government for the principle of separation of power is always omnipresent during the judicial rule making process. What Appellant does contend here is that the test is District 50, supra, has no application here and the Trial Court erred in basing it's denial of Appellant's

Motion for Preliminary Injunction on the rule enunciated in District 50, supra. The guidelines laid down in District 50, supra, might find judicial compatability under the facts in some other case but does not do justice to litigation which finds its origin in violation of a Federal Statute, constitutional on its face. In following the guidelines laid down in District 50, supra, the trial court's interpretation of the phrase "harm an injunction will cause the other party" presupposed that Appellant's initial complaint seeks to close the doors of Appellee's business. That interpretation, if it be accepted as true, is irreconcilable with the relief sought by Appellant in its complaint filed with the Trial Court. Appellant's complaint and prayer for relief simply requests the Court to issue a temporary restraining order and preliminary injunction restraining the Appellee from advertising the name ULTRA SHEEN in connection with his business; restrain and enjoin the Appellee from engaging in conduct amounting to trademark infringement and willful tort; restrain and enjoin the Appellee from substituting and passing off and unfair competition complained of in the complaint. (See Complaint - the Record herein). To conclude that the granting of the foregoing request and prayers would take the effect of closing the Appellee's business is obviously based

upon illogistic reasoning contrary to the facts and pleadings in the Record herein.

Accordingly, Appellant respectfully urges this Honorable Court to reverse the trial court's Order for the stated reason that in Trademark Infringement litigation, a showing of actual irreparable harm is not required as a prerequisite to injunctive relief.

(II)

THE TRIAL COURT ERRED IN DENYING PLAINTIFF'S
MOTIONS FOR PRELIMINARY INJUNCTION AND
SUMMARY JUDGMENT

Appellant filed a Cross-Motion for summary judgment seeking a summary adjudication of the action herein on the ground that there were no genuine issues of fact in dispute and that Appellant was entitled to summary judgment as a matter of law. Authority for filing of Motion for Summary Judgment lies in Rule 56, Federal Rules of Civil Procedure, which provides:

"A party against whom a claim, counter-claim or cross claim is asserted on a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a Summary Judgment in his favor as to all or any part thereof."

Motions for Summary Judgment are not unknown to suits involving patent infringement, contract disputes or stockholders derivative actions. Lopate v. Handler, 37 F. Supp. 871 (1941); Brooks v. Utah Power & Light Company, 151 F. 2d 514 (1945); Toebelman v. Missouri-Kansas Pipe Line Co., 130 F. 2d 1016 (1927). Appellant's complaint clearly sets forth a cause of action against Appellee upon which relief could have been granted and in support of the complaint filed herein, the depositions and affidavits of numerous witnesses were taken. The appellee's deposition was likewise taken. Upon completion of the discovery process, the following facts were clearly uncontroverted, based upon admissions made by the Appellee as well as the witnesses whose depositions were taken. Those undisputed facts are as follows: that ULTRA SHEEN products carry a high reputation in the beauty field; that the appellee's customers ask for ULTRA SHEEN products more than any other product such as French Perm, Hair Straight; that the appellee owns and operates a chain of beauty shops and salons; that the appellee purports to use ULTRA SHEEN products and consistently advertises to the general public that his (appellee's) business is an ULTRA SHEEN business; that appellee exhibits in his windows, streamers, signs and posters advertising ULTRA SHEEN and that

he does not advertise any other product in his windows; that appellee does maintain upon the shelves in his salons, jars and containers bearing the trademark "ULTRA SHEEN" which jars allegedly contains the original "ULTRA SHEEN" formula manufactured by appellant; that appellee admits that appellant has not consented to his unlimited use of the ULTRA SHEEN name in the promotion of his own business; that appellee has used products upon the hair of customers manufactured by appellee rather than the original ULTRA SHEEN formula manufactured by appellant; that appellee admitted that he does have a complete manufacturing plant at the Nichols Avenue, S. E. beauty salon and does manufacture products similar to those produced by the Appellant even in terms of color of the chemical hair preparation; Appellee further admitted that he does not purchase sufficient jars with which to place his own products but saves empty ULTRA SHEEN jars (with labels undestroyed) and that the empty jars are taken to his Manufacturing Plant and are used for refills for his own product and redistributed to all of the beauty salons owned by appellee, placed upon the shelves in the various beauty salons and ultimately used on the hair of customers who ask for "ULTRA SHEEN" permanents; that the number of ULTRA SHEEN permanent kits ordered from the sole distributor in the Metropolitan Washington Area falls far short of the number of kits required to accomodate customers who call at

Appellee's beauty salon for "ULTRA SHEEN" permanents; finally, that the hair preparation manufactured by the Appellee is a close imitation and counterfeit of the products manufactured by the Appellant.

Having marshalled the foregoing facts and accepted the admissions of the appellee as well as his witnesses, as being true, there were no genuine issues of material facts in dispute. Thus, Appellant was entitled to a Summary Judgment as a matter of law under Rule 56, F.R.C.P.

Assuming the foregoing facts and admissions as being true, Appellant was entitled to a preliminary injunction notwithstanding the Trial Court's application of this Court's decision in District 50, supra.

C O N C L U S I O N

Based upon the foregoing argument and points and authorities cited, the conclusion is inescapable that:

1. A showing of actual irreparable harm is not a prerequisite to injunctive relief in Trade-mark litigation. Courts are duty bound to protect a trade-mark owner against peaching by a competitor who seeks to sell or use his goods as those of another.

2. Under 56, F.R.C.P., Summary Judgment should have been granted and simultaneously, a preliminary injunctive order should have been granted. The Trial Court having failed to grant the relief sought by the Appellant, there was error committed upon the face of the record.

Accordingly, appellant prays this Honorable Court to reverse the Order entered by the Trial Court.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Copy of the foregoing Brief, mailes, postage prepaid
to Law Offices, Joseph McCormack, Esquire, 815-5th Street,
N. W., Washington, D. C., this _____ day of March, 1970.

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(i)

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I N D E X

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3045-68

3.A.1

United States Patent Office

681,947
Registered July 14, 1959

PRINCIPAL REGISTER Trademark

Ser. No. 51,021, filed May 5, 1953

ULTRA SHEEN

Johnson Products Co., Inc. (Illinois corporation)
5831 S. Green St.
Chicago 21, Ill.

For: CREME HAIR OIL, CREME SHAMPOO,
HAIR AND SCALP CONDITIONER, PIN CURL SET-
TING CREAM, AND CREME PRESS FOR
STRAIGHTENING HAIR, in CLASS 51.

First use on or about June 3, 1954; in commerce on or
about June 6, 1954.

Exhibit A

IN THE UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA

3.A.#2

JOHNSON PRODUCTS CO., INC.)
A Corporation,)
Plaintiff,)

vs.)

Civil Action No. 3045-68

MARCUS GRIFFITH, dba)
BEAUTY FAIR SALONS, aka)
BEAUTY FAIR)

AFFIDAVIT

DOROTHY DAVIS, being first duly sworn deposes and says,

1. That she resides at 1127 Chicago Street, S. E.,
in the District of Columbia.
2. That she has been employed by Marcus Griffith
doing business at Beauty Fair Salon as a beauty operator,
and in that capacity worked for said Marcus Griffith at a
beauty salon located at 817 Southern Avenue, Oxon Hill,
Maryland, from April, 1967, to January, 1968.
3. That said Marcus Griffith controlled and directed
all activities at the shop located at the above address,
and all of the operators and members of said shops took
their orders and directions from said Marcus Griffith.
4. That during the period of her employment, at
the address described above, Marcus Griffith had instructed
the operators to fill empty ULTRA SHEEN jars and containers
which bear the label ULTRA SHEEN with a composition other

than an ULTRA SHEEN product, and had further instructed said operators to display those filled ULTRA SHEEN jars in full view of the customers and to use the contents of said filled ULTRA SHEEN jars on the hair of customers of the shops when said customers asked for an ULTRA SHEEN permanent.

5. That said Marcus Griffith continuously told the operators and employees at the shops described above that the composition so substituted was similar to the product bearing the ULTRA SHEEN trade mark and was of equal quality.

That pursuant to the order and direction of the said Marcus Griffith the said empty jars of ULTRA SHEEN were filled with products other than ULTRA SHEEN products, and such substituted products used on the hair of customers who asked for an ULTRA SHEEN permanent.

6. That upon application to the hair of said customers of the substitute products described above, many customers complained of a burning sensation in and about the scalp.

SUBSCRIBED AND SWORN TO BEFORE
ME THIS _____ DAY OF _____, 1968

NOTARY PUBLIC

DOROTHY DAVIS

IN THE UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA

SA#3

JOHNSON PRODUCTS CO., INC.)
A Corporation,)
Plaintiff,)

vs.)

Civil Action No. 30-15-68

MARCUS GRIFFITH, dba)
BEAUTY FAIR SALONS, aka)
BEAUTY FAIR)

AFFIDAVIT

MARY GODING, being first duly sworn deposes and says,

1. That she resides at 1814 Que Street, S. E., in the District of Columbia.
2. That she has been employed by Marcus Griffith doing business at Beauty Fair Salon as a beauty operator, and in that capacity worked for said Marcus Griffith at a beauty salon located at 1920 Nichols Avenue, S. E., Washington, D. C., from May 2, 1967, to October, 1968.
3. That said Marcus Griffith controlled and directed all activities at the shop located at the above address, and all of the operators and members of said shop took their orders and directions from said Marcus Griffith.
4. That during the period of her employment, at the address described above, Marcus Griffith had instructed the operators to fill empty ULTRA SHEEN jars and containers which bear the label ULTRA SHEEN with a composition other

than an ULTRA SHEEN product, and had further instructed said operators to display those filled ULTRA SHEEN jars in full view of the customers and to use the contents of said filled ULTRA SHEEN jars on the hair of customers of the shops when said customers asked for an ULTRA SHEEN permanent.

5. That said Marcus Griffith continuously told the operators and employees at the shops described above that the composition so substituted was similar to the product bearing the ULTRA SHEEN trade mark and was of equal quality.

That pursuant to the order and direction of the said Marcus Griffith the said empty jars of ULTRA SHEEN were filled with products other than ULTRA SHEEN products, and such substituted products used on the hair of customers who asked for an ULTRA SHEEN permanent.

6. That upon application to the hair of said customers of the substitute products described above, many customers complained of a burning sensation in and about the scalp.

SUBSCRIBED AND SWORN TO BEFORE
ME THIS _____ DAY OF _____, 1968

MARY GODING

IN THE UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA

5.A #4

JOHNSON PRODUCTS CO., INC.)
A Corporation,)
Plaintiff,)

vs.)

Civil Action No. 3045-68

MARCUS GRIFFITH, dba)
BEAUTY FAIR SALONS, aka)
BEAUTY FAIR)

AFFIDAVIT

WILMA DUDLEY, being first duly sworn deposes and says,

1. That she resides at 3630 Edward Street, Landover, Maryland.

2. That she has been employed by Marcus Griffith doing business at Beauty Fair Salon as a beauty operator, and in that capacity worked for said Marcus Griffith at a beauty salon located at 1920 Nichols Avenue, S. E., from April, 1967, to June 16, 1968, and as manager at 817 Southern Avenue, Oxon Hill, Maryland, from June, 1968, to July, 1968.

3. That said Marcus Griffith controlled and directed all activities at the shops located at the above addresses, and all of the operators and members of said shops took their orders and directions from said Marcus Griffith.

4. That during the period of her employment, at the addresses described above, Marcus Griffith had instructed the operators to fill empty ULTRA SHEEN jars and containers which bear the label ULTRA SHEEN with a composition other than an ULTRA SHEEN product, and had further instructed

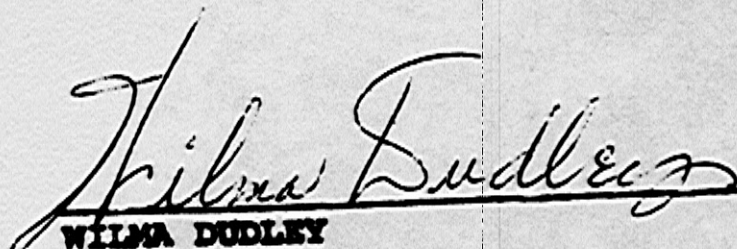
said operators to display those filled ULTRA SHEEN jars in full view of the customers and to use the contents of said filled ULTRA SHEEN jars on the hair of customers of the shops when said customers asked for an ULTRA SHEEN permanent.

5. That said Marcus Griffith continuously told the operators and employees at the shops described above that the composition so substituted was similar to the product bearing the ULTRA SHEEN trade mark and was of equal quality.

That pursuant to the order and direction of the said Marcus Griffith, the said empty jars of ULTRA SHEEN were filled with products other than ULTRA SHEEN products, and such substituted products used on the hair of customers who asked for an ULTRA SHEEN permanent.

6. That upon application to the hair of said customers of the substitute products described above, many customers complained of a burning sensation in and about the scalp.

SUBSCRIBED AND SWORN TO BEFORE
ME THIS ____ DAY OF _____, 1968


WILMA DUDLEY

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

5.2.45

JOHNSON PRODUCTS CO., INC.
A corporation,

Plaintiff

vs.

Civil Action No. 3045-'68

MARCUS GRIFFITH, dba
BEAUTY FAIR SALONS, aka
BEAUTY FAIR

Defendant

ORDER DENYING PLAINTIFF'S MOTIONS FOR
SUMMARY JUDGMENT AND FOR PRELIMINARY INJUNCTION

This cause having come on for hearing this 21st day of August, 1969 on the Motions Calendar and thereupon, upon consideration of the plaintiff's cross-motion for Summary Judgment, the plaintiff's motion for a Preliminary Injunction, the defendant's answers thereto, the affidavits filed herein, the argument by counsel for each of the parties hereto, the Court denies the plaintiff's motion for Summary Judgment.

As to the plaintiff's motion for a Preliminary Injunction, the Court makes the following

FINDINGS OF FACT

1. That the plaintiff is a corporation engaged in the business of manufacturing and selling to the public and beauty shops a product known as Ultra Sheen.
2. That the defendant operates a number of beauty shops in the District of Columbia and he manufactures a product used in the dressing of hair.
3. That the plaintiff has complained that the defendant uses Ultra Sheen products in giving customers permanents, advertises Ultra Sheen products to the public and has in full view, signs announcing to the public that Ultra Sheen Products are used in connection with permanents.

4. That the plaintiff alleges that the defendant maintains on his shelves jars with Ultra Sheen but which contain the defendant's product.

5. That the plaintiff further alleges that the defendant is infringing upon the plaintiff's trademark, is in unfair competition and that he has instructed his employees to pass on the public products of the defendants as those of the plaintiff.

In considering whether the plaintiff's motion for a Preliminary Injunction should be granted, the Court considers:

- (1) The possibility that the plaintiff can recover on the merits.
- (2) The possibility of irreparable harm to the plaintiff.
- (3) The availability to the plaintiff of an adequate remedy at law.

In balancing the equities the Court finds:

(1) That in December 1968 the plaintiff's motion for a Temporary Restraining Order was denied.

(2) That the complaint of the plaintiff is not specific, is too vague and that the chance of recovery is remote.

(3) That there is no showing of irreparable damage to justify a Preliminary Injunction. The alleged damage to the plaintiff's name and good will is not a part of the record.

CONCLUSION OF LAW

Upon the foregoing Findings of Fact the Court concludes as a matter of law that to grant a Preliminary Injunction would cause damage to the defendant far out of proportion to any allegedly suffered by the plaintiff.

ORDER

Upon the foregoing Findings of Fact and Conclusion of Law, it is by the Court this _____ day of _____, 1969

ORDERED:

1. That the plaintiff's motion for a Preliminary Injunction be and the same is hereby denied.

2. That the plaintiff's motion for Summary be and the same is here-

CERTIFICATE OF MAILING

This is to certify that copies of the foregoing Order Denying Plaintiff's Motions For Summary Judgment and For Preliminary Injunction were mailed postage prepaid to Clement Theodore Cooper, Esquire, 918 F Street, N. W., Washington, D. C. and to Stradford, LaFontant, Gibson, Fisher and Corrigan, 69 W. Washington, Chicago, Illinois, attorneys for the plaintiff, this _____ day of _____, 1969.

Joseph P. McCormick
Attorney for Defendant
815 Fifth Street, N. W.
Washington, D. C. 20001
EXecutive 3-2737

TRIAL COURT FINDINGS

J.A. 6
32

request for the use of Ultra Sheen permanent, I believe an examination of the depositions will disclose that Ultra Sheen permanent is the most asked for permanent, not that all customers come in and ask for Ultra Sheen permanent, and the depositions will further show that many customers come in and just want a permanent without designating the product.

✓ THE COURT: This is an action for trademark infringement and unfair competition. Before the Court today are three motions; the Defendant's motion to dismiss, or in the alternative for judgment on the pleadings; the Plaintiff's motion for summary judgment, and Plaintiff's motion for preliminary injunction. The Defendant's motion to dismiss, or in the alternative for judgment on the pleadings is dismissed. Plaintiff's motion for summary judgment is dismissed, there being from the pleadings and exhibits on file evidence that there are genuine issues of material facts to be determined. The evidence shows that the Plaintiff is a corporation engaging in the business of manufacturing and selling to the public, including beauty shops, certain cosmetic products, among them the product known as Ultra Sheen which is used in the processing of hair.

The Defendant operates, owns, and controls a number of beauty shops in the District of Columbia and he also manufactures a product used in the processing of hair.

The Plaintiff complains that the Defendant uses Ultra

Sheen products in the giving of permanents and that he advertises Ultra Sheen products to the public, and that he has affixed in full view of the public in his window and otherwise signs and streamers announcing that Ultra Sheen products are given in connection with permanents. He also alleges that the Defendant maintains on his shelves jars and containers bearing the Ultra Sheen trademark, but which jars, in fact, contain Plaintiff's own product. The Plaintiff alleges that the Defendant is infringing upon Plaintiff's trademark and is engaged in unfair competition in that he has instructed the employees to pass off to the public the Defendant's product as the product of the Plaintiff.

In considering whether or not a preliminary injunction should be granted, the Court takes into consideration a number of things; whether there appears to be a fair possibility of recovery on the merits by the Plaintiff; whether there is a showing of irreparable injury; the question of adequate remedy; the law on the balance of equities as between the Plaintiff and the Defendant. In this particular case, the Court notes that there was an application for a preliminary -- rather a temporary restraining order which Judge Sirica denied in December of 1968. The Court finds also that the complaint in this case, although, in the opinion of the Court sufficient to withstand the motion to dismiss, nevertheless is speculative and vague, and that the chances of recovery by the Plaintiff

appear to be somewhat remote. The Court further finds that there is no showing of irreparable damage which would justify the granting of a preliminary injunction at this time. The irreparable damage that is claimed to the Plaintiff's good name and good will, not being made a part of the Record before the Court, if the Plaintiff is able to show what was represented to the Court here, you will have an adequate remedy under the law of equity between the parties, the Court will grant this temporary injunction as requested to enjoin the Defendant from manufacturing and using its own product in his place of business which would certain cause damage to the Defendant which, I think, without a proportion to the damage which can be shown from this file that accrue to the Plaintiff in this case.

Accordingly, the motion for preliminary injunction is denied. Mr. McCormick, will you present findings of fact and conclusions of law and an order denying the preliminary injunction and denying the Plaintiff's motion for summary judgment, and Mr. Cooper, will you present one denying the Defendant's motion to dismiss, or in the alternative motion for judgment on the pleadings.

MR. COOPER: Very well.

(Case concluded at 11:39 a.m.)

* * * * *

3.A # 17

United States District Court for the District of Columbia

JOHNSON PRODUCTS COMPANY, INC.

Plaintiff.

vs.

MARCUS GRIFFITH, dba Beauty Fair Salons

Defendant.

CIVIL No. 3045-68

NOTICE OF APPEAL

Notice is hereby given this 19th day of September, 1969, that

JOHNSON PRODUCTS COMPANY, INCORPORATED, a corporation,

hereby appeals to the United States Court of Appeals for the District of Columbia from the judgment of this Court entered on the 22nd day of August, 1969

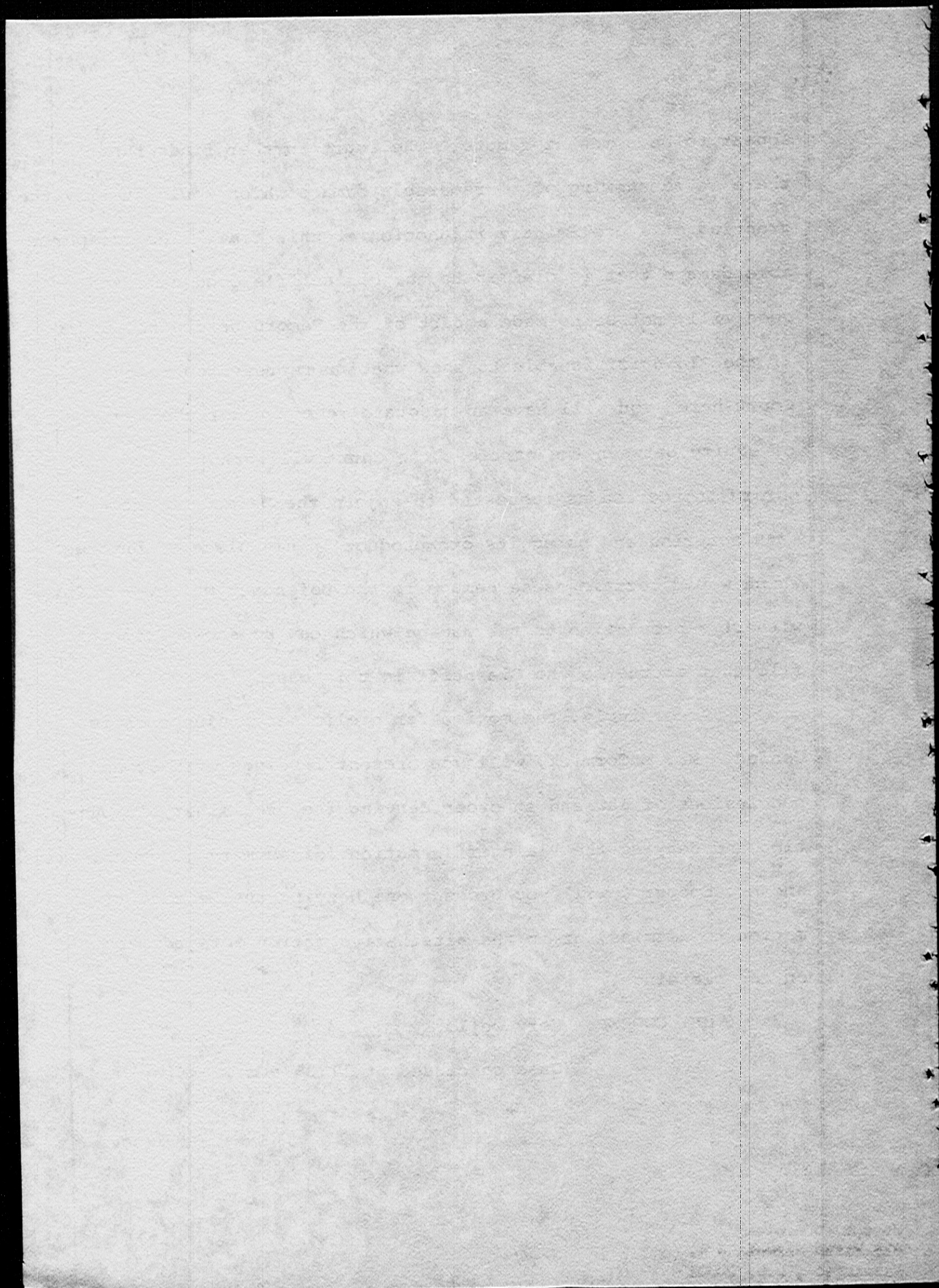
in favor of Marcus Griffith, dba Beauty Fair Salons

against said JOHNSON PRODUCTS COMPANY, INCORPORATED, a corporation

William X. McCormick
Attorney for Plaintiff
918 F Street, N.W. (300)
Washington, D.C. 20004
s/Stradford, LaFontant, Gibson, Fisher & Cousins, Attorney for Plaintiff
69 Washington, W.
Chicago, Illinois

Copy to be mailed to:

Law Offices
Joseph McCormick
815 Fifth Street, N.W.
Washington, D.C. 20001



IN THE
UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 23,586

JOHNSON PRODUCTS COMPANY, INC., A Corporation

Appellant,

v.

MARCUS GRIFFITH d/b/a BEAUTY FAIR SALONS

Appellee.

*Appeal from the United States District Court
for the District of Columbia*

BRIEF FOR APPELLEE

United States Court of Appeals
for the District of Columbia Circuit

FILED MAY 18 1970

Nathan J. Paulson
CLERK

Joseph P. McCormick
Charles P. Howard, Jr.
815 Fifth Street, N.W.
Washington, D.C. 20001
Attorneys for Appellee

(i)

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IN THE
UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 23,586

JOHNSON PRODUCTS COMPANY, INC., A Corporation

Appellant,

v.

MARCUS GRIFFITH d/b/a BEAUTY FAIR SALONS

Appellee.

*Appeal from the United States District Court
for the District of Columbia*

BRIEF FOR APPELLEE

ISSUES PRESENTED

1. Whether the Court below was required, as a matter of law to grant the plaintiff-appellant's motion for a preliminary injunction when upon applying equitable criteria as its guidelines it finds that the granting of injunctive relief would be more harmful to the defendant-appellee and that the plaintiff-appellants chances for success at a trial on the merits were remote.

2. Whether the Court below was bound to grant the plaintiff-appellants motion for summary judgment in spite of the clear showing of a substantial factual dispute.

COUNTERSTATEMENT OF THE CASE

Appellant, the manufacturer of hair and beauty preparations under the trade name of Ultra Sheen, brought an action to enjoin the defendant, owner of several beauty salons in the District of Columbia, from infringing on his trademark of Ultra Sheen, a preparation used in beautifying hair.

In support of its complaint, the plaintiff filed the affidavits of three former employees of the defendant to the effect that the defendant had instructed his employees to save jars with the Ultra Sheen label and that the defendant refilled the jars with beauty preparations made by him and represented that the refilled jars contained Ultra Sheen products. The signer of one affidavit repudiated the affidavit in a letter to the defendant in which she told of a meeting of the other signers of affidavits with the plaintiff's lawyer.

The defendant filed an affidavit denying the truth of the affidavits and said that one John Johnson, president of the plaintiff corporation, brought this action to prevent the defendant's introduction of his own beauty and hair preparations into the commercial market. He further stated that this was a case of professional jealousy and that Wilma Dudley, the signer of one of the affidavits, had filed a claim for unemployment compensation in Maryland and was angered by the denial of the claim because the defendant had reported that she was unemployed merely because she failed to report to work and that this was the reason she made the allegations in her affidavit.

Depositions of several of the defendant's employees were taken by the plaintiff. They stated, inter alia, (a) that customers who came to the defendant's beauty salons asked for the brand of beauty preparation they wanted and got what they asked for; (b) that no operator was instructed to or did pretend to be using Ultra Sheen while she was, in fact, using another preparation; (c) that one of the defendant's shops did advertise another brand of beauty preparation in its display window; (d) that cards mailed to the public give the name of the defendant's shops and do not advertise any beauty preparation; and (e) that representatives of the appellant supplied the appellee with posters advertising Ultra Sheen.

Its motion for a temporary restraining order having been denied, (J.A. 33), the plaintiff filed a motion for summary judgment and a motion for a preliminary injunction. The defendant filed a motion to dismiss or, in the alternative, for summary judgment. These motions were heard together and all were denied.

STATUTES INVOLVED

15 U.S.C. 1116, provides:

"The several Courts vested with jurisdiction of civil actions arising under this chapter shall have the power to grant injunctions, according to the principles of equity and upon such terms as the Court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office...."

SUMMARY OF ARGUMENT

I. A preliminary injunction is addressed to the sound discretion of the Court. When it is sought in advance of any hearing on the merits, the Court applies equitable criteria to determine its ruling.

The rule is no different because the relief sought is an injunction against the alleged infringement of a trademark.

II. A motion for summary judgment lies only where there are no genuine issues of fact presented by the record. Here the record shows a sharp conflict as to the facts.

ARGUMENT

I. THE GRANTING OF A PRELIMINARY INJUNCTION RESTS WITHIN THE SOUND DISCRETION OF THE COURT

A preliminary injunction should be granted without a hearing on the merits only after a Court is satisfied that certain criteria are met. In this action the Court had only the complaint, supporting affidavits, the answer, oral depositions which contradicted the affidavits in support of the complaint, the motions for summary judgment, affidavits in support of the motions for summary judgment and exhibits attached to the defendant's motion to dismiss or, in the alternative, for judgment on the pleadings. It is to be noted that no testimony was taken.

"When a motion for a preliminary injunction is presented to the Court *in advance of hearing on the merits*, it (the Court) is called upon to exercise its discretion upon the basis of a series of estimates: the relative importance of the rights asserted and the acts sought to be enjoined, the irreparable nature of the injury allegedly flowing from denial of preliminary relief, the probability of the ultimate success or failure of the suit, the balancing of damages and convenience generally, especially when no attempt is made at this stage to decide finally the questions raised." (Italics added) *Perry v. Perry*, 88 U.S. App. D.C. 337, 190 F.2d 601. (1951).

The record in this action (J.A. 6) shows that no irreparable injury was demonstrated and any injury proven can be compensated by the award of damages. The Court found that the probable success of the plaintiff was remote. The Court further found that the defendant-appellee would be hurt more by the granting of the preliminary injunction than the plaintiff-appellant would be helped (J.A. 6). Appellant's case is based solely on the affidavits of former employees, particularly Anna P. Wilson, (deposition of Anna P. Wilson, pp. 27-29), who had a motive to hurt the appellee defendant. (See deposition of David G. McDonald @ pp. 100-102). This alone weakens the likelihood of the appellant-plaintiff's success. The Court found that the complaint "is vague" and noted that a motion for a temporary restraining order had previously been denied. (JA 6).

It is plaintiff-appellant's claim that the trademark infringement consists of the defendant-appellee's use of Ultra Sheen jars to put the defendant-appellee's product in that he displays the jars on the shelves in his beauty salons in order to deceive the public and lead the public to believe that the operators were using Ultra Sheen whereas they were using defendant-appellee's inferior product. The oral depositions of the defendant-appellee and some of his employees clearly gainsay this. They, in sum, say that the defendant-appellee makes no effort to have the public believe that the Beauty Fair Salons are in any way connected with Johnson Products. Exhibits attached to the defendant-appellee's motion to dismiss or, in the alternative, for judgment on the pleadings show the circulars, business cards, postal cards, the listing in the telephone directory and pictures of the beauty shops. There is nothing in any of these items that would lead the public to believe that there is any connection between the parties. These depositions and exhibits clearly refute the danger of irreparable injury. In addition to Ultra Sheen, the plaintiff-appellant's product, the defendant-appellee's shops use Raveen, Hair Strate, French Perm and Hairlox, all hair preparations.

The oral depositions show that customers come into the shops and are asked by the operators what brand of hair preparation they want. They get exactly what they ask for and no effort is made to boost Hairlox, the defendant-appellee's product, rather than other hair preparations.

In further support of a showing that there is no attempt to deceive or confuse the public in regard to the beauty preparations is the fact that when the defendant-appellee first made Hairlox after Ultra Sheen was on the market he deliberately chose a color different from that of Ultra Sheen. Since the jars used are clear, a customer familiar with Ultra Sheen could at a glance distinguish between the two hair preparations (deposition of David G. McDonald, pp. 115-116). A fortiori, the color of Hairlox was changed from yellow to white after Ultra Sheen changed its color to yellow. This clearly shows an effort not to deceive anybody.

The plaintiff-appellant is a manufacturer of beauty preparations, including Ultra Sheen. The defendant-appellee is the owner of Beauty Fair which consists of seven beauty salons throughout the District of Columbia. The shops use several brands of beauty preparations, including Ultra Sheen. The record shows that the defendant-appellee saves the empty jars in which beauty preparations come and purchases some jars. In these empty jars the operators will put preparations they need. The defendant-appellee also uses the empty jars to put his products in. The depositions show that the operators meticulously follow the wishes of the customers in the use of beauty preparations. Certainly, this is not a trademark infringement. There is no property right in an empty jar.

The plaintiff-appellant would have us believe that the use of the Ultra Sheen posters in Beauty Fair's display windows shows an attempt to mislead the public into believing that these are Ultra

Sheen shops or that there is some relationship between Ultra Sheen and the defendant-appellee other than supplier and user of beauty preparations. The use of these posters merely tells the public that Ultra Sheen is used in these shops as the use of Wild Root signs would tell men that Wild Root shampoo is used in a barber shop. The plaintiff-appellant should be happy to have its product advertised. Certainly the use of the posters does not show trademark infringement. As a matter of fact, the only source of the posters is the appellant-plaintiff who supplies the shops directly or through his distributors (Deposition of Wayala Harris, p. 12) the suggestion of infringement is negated by the appellant-plaintiff's own conduct. plaintiff's own conduct.

District 50, United Mine Workers v. International United Mine Workers, 412 F.2d 165, (19___) states that a party seeking injunctive relief must show that it will suffer irreparable harm if an injunction is not issued and that there is a substantial likelihood that it will prevail on the merits when the case is tried.

Although District 50 continued to use the name "United Mine Workers," the organizers told the prospective members that they were opposing the International Mine Workers so that there was no deception or confusion. This court held that the plaintiff was not entitled to an injunction. In the instant case, if we assume for the purposes of argument that the Appellee was using jars with an Ultra Sheen label, as long as he gave the customer what she asked for and did not represent other products to be Ultra Sheen (Deposition of Anna P. Wilson, 0.10), no cause for a preliminary injunction exists.

The trademark which Appellant seeks to protect runs only to its product and not to the empty jar in which it markets its product. The facts as presented by the Appellant's and Appellee's pleadings let the Court to conclude that Appellant had not proven that Appellee was confusing or deceiving the public by representing

another product as Ultra Sheen. *James Heddon's Sons v. Millsite Steel and Wire Works*, 128 F.2d 6, (1942) holds that there must be a palming off of goods for sale as the goods of a rival dealer for there to be ground for a trademark infringement.

15 U.S.C. 1116, upon which the Appellant bases his claim for injunctive relief does not make mandatory the granting of an injunction upon the showing of a prima facie case as the Appellant contends. The statute provides:

"The several Courts vested with jurisdiction of civil actions arising under this chapter shall have the power to grant injunctions, *according to the principles of equity and upon such terms as the Court may deem reasonable*, to prevent the violation of any right of the registrant of a trademark * * *"

As held by the Supreme Court of the United States in *Yakus v. United States*, 321 U.S. 414, 64 S.Ct. 660 (1944):

"The award of an interlocutory injunction by Courts of equity has never been regarded strictly as a matter of right, even though irreparable injury may otherwise result to the plaintiff."

The Appellant claims that it will suffer irreparable harm if the Appellee is not enjoined from substituting his product, Hairlox, for Ultra Sheen, the Appellee's product, on the theory that Hairlox is inferior to Ultra Sheen. The facts are in substantial dispute as to whether the Appellee is substituting Hairlox for Ultra Sheen. All evidence points to the contrary. There has been no proof presented to Ultra Sheen's superiority. A preliminary injunction should not be issued unless there is a clear case and no substantial doubt. *Guerlain Perfomery Corp. v. Klein*, 56 F.2d 439 (1956); *Chip'N Twigs v. Blue Jeans Corp.*, 146 F.Supp. 246 (D.C. Pa., 1956).

II. THE TRIAL COURT WAS CORRECT IN DENYING PLAINTIFF'S MOTIONS FOR PRELIMINARY INJUNCTION AND SUMMARY JUDGMENT

Both parties filed motions for summary judgment. The basis of a motion for summary judgment is that there are no genuine issues of fact. The complaint in this action alleges that the Appellee substituted Hairlox for Ultra Sheen to deceive the public. The Appellee and his employees deny this in their depositions. These disputed allegations cannot be resolved by a motion for summary judgment.

Rule 56, Federal Rules of Civil Procedure, says that a party may move for summary judgment at any time. It does not, however, say that the motion should be granted when there are facts in dispute. A motion for summary judgment has been called a drastic remedy. *Parmelee v. Chicago Eye Shield Co.*, 157 F.2d 582 (1946). It should be applied strictly.

Brooks v. Utah Power and Light Company, 151 F.2d 514 (1945) says that when a motion for summary judgment is appropriate the moving party is entitled to judgment as a matter of law and it is clear that the truth is and there is no genuine issue of fact. Accord, *Toebelman v. Missouri-Kansas Pipeline Co.*, 130 F.2d 1016 (1927).

The fact that Appellee manufactures his own preparation for the same use as Ultra Sheen and that it, too, is used in Appellee's shops does not lead to the ineluctable conclusion that Appellee's product is being palmed off on the public as Ultra Sheen. Appellee and his employees say that the customers are asked what brand of permanent they want and the operators use what the customers want. The fact that disgruntled former employees of the Appellee say otherwise does not give rise to the exercise of summary judgment. Summary judgment may be granted only where there is no genuine issue of fact, *Toebelman v. Missouri-Kansas Pipe Line Co.*, *supra*.

In view of the conflicting statement in the record, the Court was correct in denying the motions for summary judgment.

CONCLUSION

Wherefore, it is respectfully submitted that the decision of the Court below should be affirmed both as to its denial of the plaintiff-appellant's motion for a summary judgment.

Respectfully submitted,

Joseph P. McCormick

Charles P. Howard, Jr.

Attorneys for Appellee

